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EASTERN EUROPEAN INTELLIGENCE

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Yugoslav Bureaucracy To Expand

Premier Bijedic, in a letter to republic and provincial leaders, has proposed creation of new inter-republic coordination commission. This body is designed to come to grips with a basic problem in Yugoslavia's decentralized political system -- "regulations concerning expanded production, the taxation system and distribution." The dispute over the taxation system and the distribution of revenue played a major role in Croatia's demands for economic autonomy last year. At the time Zagreb argued that while Croatia had an obligation to contribute to the development of under-developed regions, it balked at having no say on how these funds were spent.

Failure to make progress in these three areas has been a major stumbling bloc in the implementation of the economic stabilization program. In making his proposal, Bijedic indicated that the federal government is not limited to playing a passive role in these disputes. He expressed hope the new commission would clear up some misconceptions about federal rights and authority, adding that experience has shown the federal government must be active in harmonizing divergent views.

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Belgrade Suggests Institutionalization of Nonalignment

Yugoslavia reversed its previous position at the nonaligned conference of foreign ministers in Georgetown, Guyana last week, and suggested that steps be taken to establish permanent nonaligned bodies. The suggestion came in Foreign Minister Tepavac's address on 10 August.

The reason for the Yugoslav shift apparently was Belgrade's determination to see that the interests of small states were not shunted aside in the growing detente between East and West. According to Tepavac, the nonaligned

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countries welcome "the initiatives of great powers to secure world peace ... (but) rapprochement in Europe is only one, albeit important, element in our endeavors for peace to become universal. Therefore, we rightly demand that peace in the world should become welcome as a universal condition and not a treacherous truce -- no one has the right to demand that tranquillity in one part of the world be paid for with suffering and wars in its other parts."

Tepavac cited the need to end hostilities in Vietnam and for the complete withdrawal of US troops from south-east Asia. More to the Yugoslav point of view, however, was Tepavac's emphasis on the Middle East and the need for peace in the eastern Mediterranean. Belgrade has been lobbying for the inclusion of Mediterranean problems in the CSCE agenda and the Tepavac speech only reinforces Yugoslavia's determination on this point.

The choice of Algiers as the site for the 4th non-aligned summit in 1974 would seem to underscore the movement's emphasis on the problems of the Mediterranean (just as the choice of Lusaka in 1970 led to an emphasis on the problems of black Africa). There was no indication whether or not the foreign ministers plan to follow up on the Yugoslav suggestion to institutionalize nonalignment. If permanent machinery is to be established, it will probably not be done until the 1974 summit. (Past suggestions have included a permanent secretariat in Belgrade as a tribute to the movement's mentor -- Josip Broz Tito.) 25X1

#### Yugoslavs To Make Film of Terrorist Attack

Ivo Stivicic, a successful Yugoslav screen playwright and T.V. script writer, is preparing to make a new film entitled, "Terrorist." The movie will tell the story of the liquidation of the Ustashi terrorists following last month's guerrilla attack in western Bosnia. In reporting Stivicic's plans, the Yugoslav news agency Tanjug, states that internal security organization documents will be made available to Stivicic. Stivicic also says he plans to spend a great deal of time interviewing people who witnessed and/or took part in resisting the attack.

Belgrade apparently plans to get the most propaganda mileage possible out of the incident. In the past, the

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threat of foreign meddling has sparked patriotism. Now, with the Croatian crisis a vivid memory and the divisive forces of decentralization still at work, the regime will do all it can to play on patriotic nationalist sentiment resulting from Ustashi activity.

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### Yugoslavs Criticize Allende

The Yugoslav news agency, Tanjug, has taken a critical stance in connection with last week's incident in Santiago between the police and workers in which several people were injured and one man died. The agency criticizes the police for opening and shedding civilian blood claiming this will weaken the Chilean government at a time when the opposition and right wing are charging Allende with "incompetence and irresponsibility."

Belgrade is not telling the Allende government anything new. While the Yugoslav press can come out free-swinging in its commentaries on foreign governments (including socialist), it has in the past chosen to ignore the shortcomings of the Allende regime. The current commentary, therefore, is something of a departure from its past press coverage on Santiago.

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Peron to Visit Romania?

A Romanian diplomat in Rome claims that Juan Peron is angling for an invitation to visit Bucharest to meet with Ceausescu prior to visiting China within the next two months. The diplomat further claims that Bucharest is in a quandry about how to handle the approach, because it does not want to dismiss the possibility that Peron may return to power in Argentina, nor does it wish to risk offending the present Argentine government with which political relations are good and commercial exchanges valuable.

Although Bucharest can be expected to agonize briefly over Peron's efforts, we believe that the Romanians will sacrifice him on the altar of political expediency. As political realists, they recognize that if he is to become a bona fide candidate in the Argentine elections, he must return to Buenos Aires by 25 August and he is most unlikely to do that. Thus they will probably drag their feet until late August at which time hosting a Peron visit will entail less potential for hindering the evolution of relations with Argentina.

Relations between Bucharest and Buenos Aires have developed apace this year. In February, the two countries established diplomatic relations at the ambassadorial level. Since then they have exchanged trade delegations, and the Argentinian Foreign Ministry in early May invited Ceausescu to visit Argentina.

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Bulgaria and Zaire Resume Diplomatic Relations

Bulgaria announced its decision to resume diplomatic ties at the ambassadorial level on 13 August. The announcement noted that ambassadors will be exchanged "in the very near future."

Kinshasa suspended, but never actually broke, diplomatic relations with Sofia in August 1969.

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Mobutu ordered the Bulgarian ambassador and three of his staff to leave the country for alleged involvement with dissident students, who

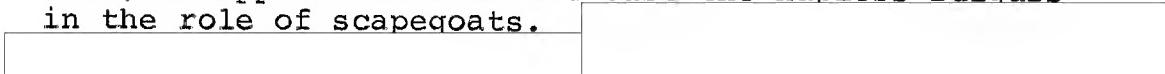
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later were tried and found guilty. Then as now, however, it appears that Mobutu cast the hapless Bulgars in the role of scapegoats.

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